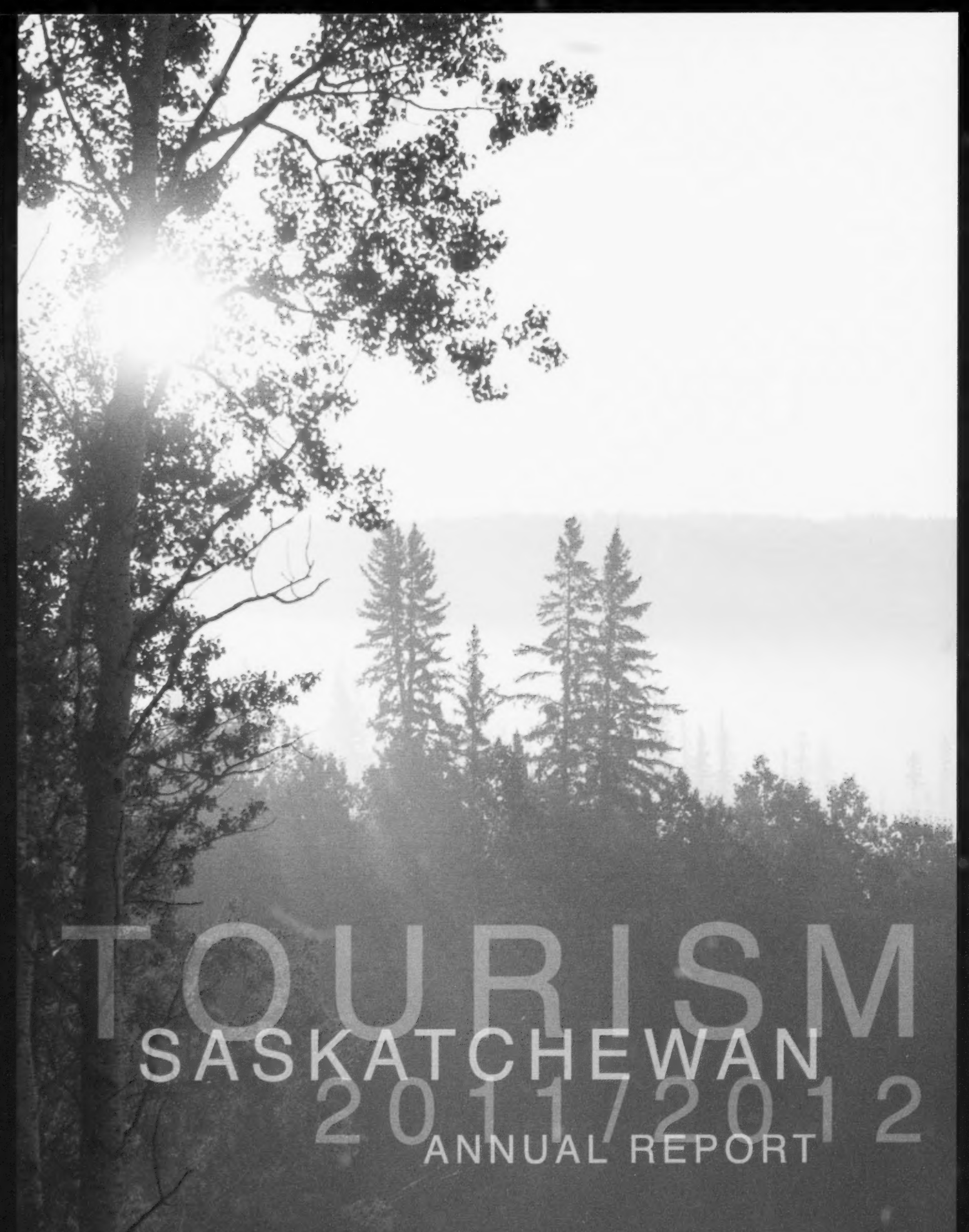
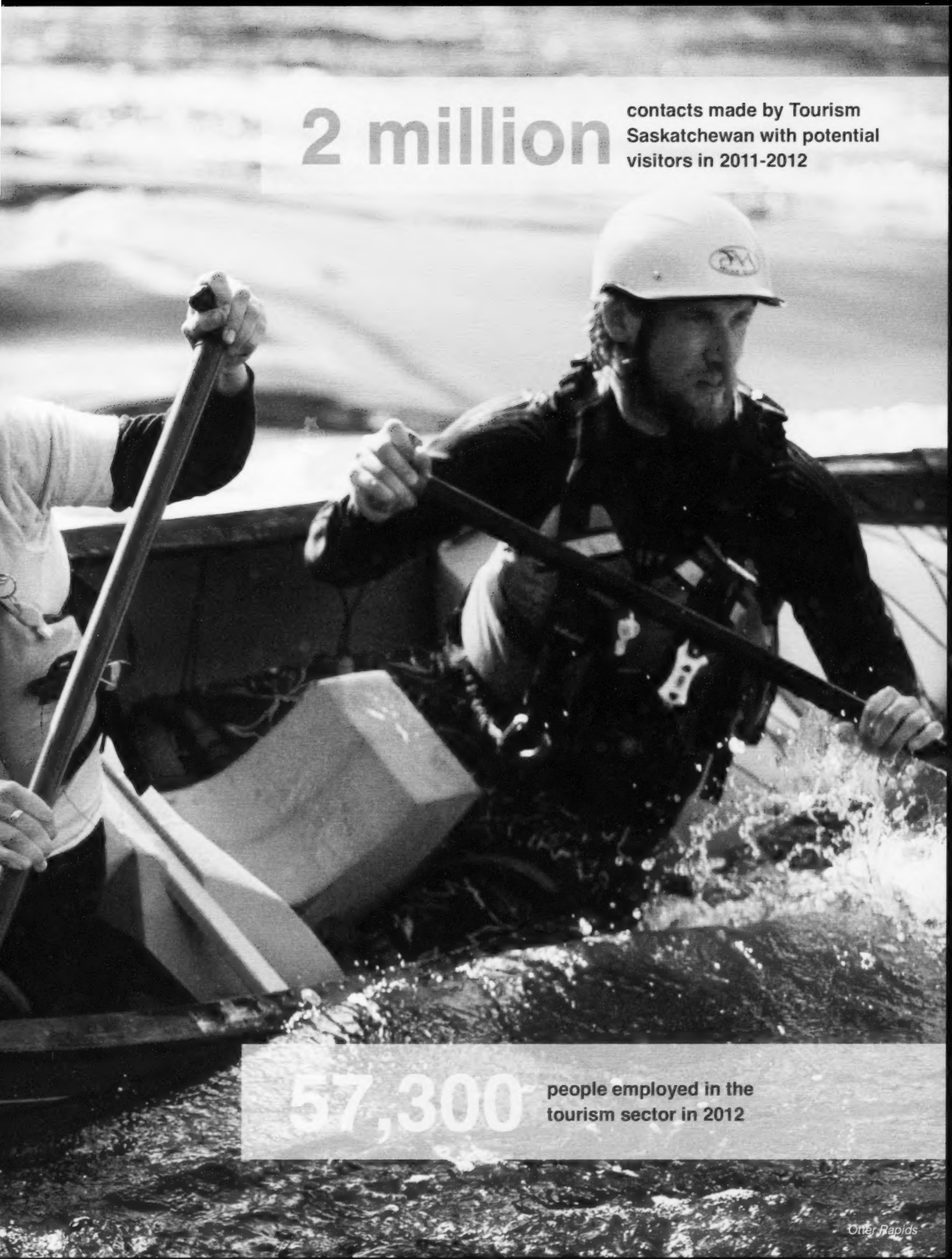


TOURISM SASKATCHEWAN

2011/2012 ANNUAL REPORT

$1.67
billion in travel
expenditures in 2010
9 million
total visits in 2010


2 million
contacts made by Tourism Saskatchewan with potential visitors in 2011-2012
57,300
people employed in the tourism sector in 2012
Otter Rapids

LETTER OF TRANSMITTAL

The Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of the Province of Saskatchewan

Your Honour:

With respect, I submit Tourism Saskatchewan's Annual Report for the fiscal year ending September 30, 2012.

In compliance with *The Tourism Saskatchewan Act*, this document outlines the corporation's business activities and includes audited financial statements.

Tim McMillan
Minister Responsible for Tourism Saskatchewan

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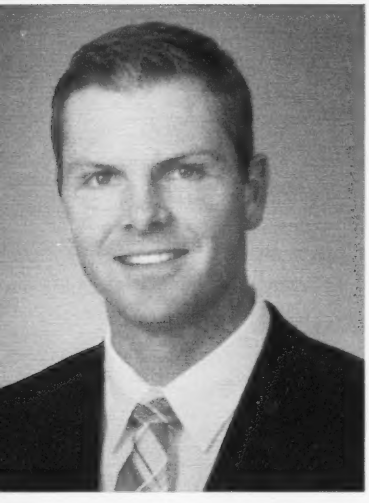
Cover image: *Northern Saskatchewan*

MESSAGE FROM THE MINISTER



It is a distinct pleasure for me to acknowledge the work of Tourism Saskatchewan during the 2011-2012 fiscal year, outlined in this Annual Report.

To begin, management and staff are to be commended for embracing the recent changes to the organization with utmost professionalism. As well, members of the Board of Directors – past and present – deserve recognition for their service and commitment.

As a new Treasury Board Crown Corporation under the Ministry of the Economy, Tourism Saskatchewan is more strategically aligned with other government ministries and agencies to focus on growing the economy and providing opportunities and advantages to Saskatchewan businesses and citizens.

Tourism is a dynamic, thriving industry, one that annually contributes approximately $1.67 billion to the provincial economy. It employs vast numbers of people and encourages entrepreneurism, business development, and resident pride and spirit.

Communities large and small, urban and rural, share a connection through their tourism activities. Local businesses that sell products and services to travellers play an important role in tourism. Museums, galleries, and recreational facilities contribute to quality of life and to the hospitality and experiences that visitors receive.

The province's immense wealth of parks and outdoor recreation, its unique attractions, and vibrant festivals and events are valuable assets that make Saskatchewan an inviting destination.

Saskatchewan's tourism attractions, businesses, and events hosted an impressive 9 million visits in 2010. Also notable is the fact that travel expenditures rose 13.5% from 2007 to 2010, ranking our province among the top three in Canada for tourism growth during this period.

Tourism employs more than 57,000 Saskatchewan citizens in full- and part-time jobs. Small- and medium-sized operations account for 95% of tourism businesses in the province. Thousands and thousands of volunteers are behind the success of many attractions and events hosted in communities. The people who drive tourism are visible, influential "cheerleaders" for Saskatchewan. Their efforts are critical to the level of hospitality and service that guests receive.

The following pages offer details of Tourism Saskatchewan's successes over the past fiscal year. Tourism has the potential to play an even greater role in economic growth, destination development, and community revitalization. There is every reason to be confident about the future of tourism in our province.

Tim McMillan
Minister Responsible for Tourism Saskatchewan

MESSAGE FROM THE CHAIR

The pages of this Annual Report reflect a year of transformation and new beginnings for Tourism Saskatchewan.

The 2011-2012 fiscal year signalled change for the organization. Upon passing of *The Tourism Saskatchewan Act* on July 1, 2012, a new Treasury Board Crown Corporation was formed.

A new mandate and priorities were identified, all of which are aligned with the Vision Statement: "Tourism Saskatchewan is the driving force in the development and marketing of a world-class destination."

The changes would build upon Tourism Saskatchewan's inherent strengths and set a course toward greater opportunities and growth for the sector and province.

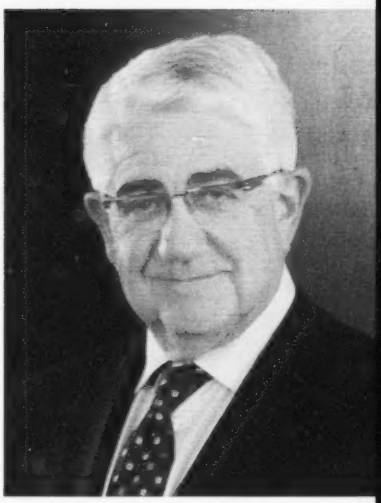
Tourism Saskatchewan is recognized for exceptional work and can be proud of its accomplishments in 2011-2012, including earning recognition as an *Employer of Choice* for the second year in a row.

New responsibilities in Marketing resulted in the successful *Embrace A New Place* campaign, which encouraged Saskatchewan's own residents to seek travel adventures here at home. Employing traditional advertising and taking full advantage of social media and new technologies, the campaign had broad appeal and captured the attention and imagination of people throughout the province and at the national level.

Tourism Saskatchewan's expertise in Industry Development benefitted several Destination Area Planning and Community Tourism Planning projects. Additionally, engagement in First Nations-partnered activities marked a positive step in support of tourism growth and opportunities in Aboriginal communities.

Progress continued on developing a voluntary Quality Assurance Program for the tourism sector, with the implementation of standards for four industries proceeding on target.

Augmenting these efforts is the work of Tourism Saskatchewan's education division, the Saskatchewan Tourism Education Council (STEC). STEC has an impressive track record when it comes to training and opening doors to employment for First Nations and individuals under-represented in the workforce.



This document highlights projects and activities in 2011-2012 that demonstrate Tourism Saskatchewan's solid work in promoting the province as a destination and developing capacity among the sector. The publication also emphasizes the organization's commitment to being a leader among business, through corporate stewardship and sound fiscal management.

It is an honour and privilege for me to serve as Chair of Tourism Saskatchewan's Board of Directors and work with an outstanding team. Each Board member brings a wealth of business knowledge and experience to their role and will prove a valuable asset to the organization. We appreciate the understanding and professionalism demonstrated by staff in the Regina, Saskatoon, and field offices, and recognize that their dedication has been critical during this period of transition. Their fine work in 2011-2012 is outlined on the following pages.

J. Brodsky

Jack Brodsky
Chair, Board of Directors

TOURISM SASKATCHEWAN

Working with industry, government partners, and a number of stakeholders, Tourism Saskatchewan strives for innovation, efficiency, and effectiveness in its delivery of programs and support to the sector. The organization leads a variety of initiatives across a broad range of areas – marketing, education, human resource development, visitor services, industry development, research, and others.

Tourism Saskatchewan was created in 1994 through an Act in the provincial legislature that established an independent organization devoted to advancing tourism in the province. *The Tourism Authority Act* was revised in 1996, merging TISASK, the Saskatchewan Tourism Education Council (STEC), and the product development area of the provincial government with Tourism Saskatchewan.

Under this structure, Tourism Saskatchewan was governed by a 15-member volunteer Board of Directors, comprising 10 industry-appointed positions, three elected by the membership, and two appointed by the Government of Saskatchewan.

On March 21, 2012, the Government of Saskatchewan announced that Tourism Saskatchewan would become a Treasury Board Crown Corporation. Influencing this decision were points identified in a review commissioned by the Government of Saskatchewan in 2009. *A Review of the Tourism System in Saskatchewan* and its findings and recommendations were made public in March 2012.

The Tourism Saskatchewan Act was proclaimed on July 1, 2012. At the same time, a new Board of Directors was appointed. The corporation's prescribed mandate is:
a) to market Saskatchewan as a tourism destination in domestic, national, and international markets;
b) to assist Saskatchewan's tourism industry operators to market their products;
c) to develop and promote the quality of tourism products and services in Saskatchewan;
d) to provide visitor information services; and
e) to undertake any other activities or functions assigned by the Lieutenant Governor in Council.

As a result of the new Act, the following changes took place:
1. Restructuring from a representative to a skills-based Board of Directors;
2. Removal of membership from the structure of the organization;
3. Removal of the organization's advocacy role*; and
4. Government provided with greater ability to direct the organization.

The Government has identified four specific items that would align Tourism Saskatchewan's activities and focus with the Government's growth agenda:
1. Better coordination of the provincial image;
2. Lead, with input from the tourism industry and stakeholders, a long-term vision for tourism in Saskatchewan;
3. Develop an event hosting strategy for Saskatchewan; and
4. Conduct a functional review of the organization within the guidelines issued to all government ministries.

Tourism Saskatchewan would like to acknowledge the work of former President and Chief Executive Officer Dr. Lynda Haverstock. Thank you to Dr. Haverstock for her years of service and exceptional commitment to the organization.

Historic Reesor Ranch, Cypress Hill

Vision Statement
Tourism Saskatchewan's Vision Statement conveys the long-term direction of the organization:

"Tourism Saskatchewan is the driving force in the development and marketing of a world-class destination."

Ends Policies
Tourism Saskatchewan's legislated mandate sets the broad responsibilities for the organization. Ends Policies provide focus for the operational activities and organizational objectives in three key areas:

- **Promote Saskatchewan;**
- **Develop Capacity; and**
- **Lead through Corporate Stewardship.**

*With the proclamation of *The Tourism Saskatchewan Act*, Tourism Saskatchewan's fourth Ends Policy – Advocate on Behalf of Saskatchewan's Tourism Industry – was removed.

Corporate Values
Corporate Values illustrate the way in which the organization strives to do its business of representing the province's tourism sector.

- **Integrity – Commitment with Integrity**
- **Excellence – Leadership through Excellence**
- **Respect – Teamwork built on Respect**
- **Innovation – Continuous Improvement supporting Innovation**

ORGANIZATIONAL STRUCTURE

Executive Office
Responsible for the framework and day-to-day oversight of all operational activities, and serves as the main interface between Tourism Saskatchewan's Board of Directors, the corporation, and Government. Through the Chief Executive Officer (CEO), the department leads Tourism Saskatchewan in the delivery of its mandate and vision, nurtures stakeholder relations, supports the Board of Directors, oversees the strategic plan and tactical operations, and manages executive communications. The department is also responsible for human resources and event management.

Finance and Administration
Responsible for providing leadership and co-ordination in the areas of financial services, annual operating and capital budget development, forecasting, enterprise risk management, and legislative compliance. The department is also responsible for facilities and materials management and logistics.

Marketing
Responsible for creating awareness of the province's tourism experiences and generating visitation to, and within, the province. The Marketing team targets high-impact markets that produce the greatest return to Saskatchewan's tourism operators. Functions managed by the department include advertising, promotion, media publicity, research, frontline visitor services, image library, production of travel literature, advertising sales, and communications.

eBusiness and Technology
Responsible for the delivery of a secure and reliable technology infrastructure and for the comprehensiveness, confidentiality, integrity, and availability of Tourism Saskatchewan's information assets. The department is also responsible for the organization's marketing websites, mobile sites and apps, online marketing, digital advertising, and social media marketing of Saskatchewan as a travel destination.

Industry Development
Responsible for the initiation and support of tourism planning and development of a wide range of activities that expand the provincial tourism industry. These activities are undertaken in collaboration with tourism businesses and attractions and all levels of government, with the objectives of increasing visitor expenditures and developing the province as a more competitive, investment-ready, and marketable tourism destination.

Quality Assurance
Responsible for the creation of a sector-wide Quality Assurance Program (QAP) for the province. Building on the foundation and leadership provided by the President's Quality Assurance Task Team, the program will be industry-developed and accessible for all business types. The QAP is in the development phase, with the first program streams targeted for introduction in 2013.

Saskatchewan Tourism Education Council (STEC)
Responsible for the coordination of human resource development initiatives, and the provision of education and training to support Saskatchewan's tourism sector. STEC's mandate addresses human resource management, employee recruitment and retention, post-secondary and technical training, awareness of tourism as a viable career choice, and the development of a professional and more representative tourism workforce.

BOARD OF DIRECTORS

From Left to Right: *Brian Simpson, Dana Soonias, Sandra LeBarre, Norm Beug, Jack Brodsky, Lionel Tootoosis, and Irene Seiferling.*

Tourism Saskatchewan is governed by a seven-member Board of Directors appointed by the Government of Saskatchewan. Board members provide broad policy direction to the organization.

Tourism Saskatchewan acknowledges the following individuals for their commitment to serving on the 2011-2012 Board of Directors:

Jack Brodsky, Chair
Brian Simpson, Vice-Chair
Irene Seiferling
Dana Soonias
Sandra LeBarre
Lionel Tootoosis
Norm Beug

Tourism Saskatchewan would also like to acknowledge the following individuals for their commitment to serving on the 2011-2012 Board of Directors during the period of October 1, 2011 to June 30, 2012:

Susan Schigol
Randy Goulden
Leon Brin
Mark Caswell
Joe Chad
Jasmine Deblois
Chris Dekker
Sandra Lebarre
Courtney Skrupski
Dana Soonias
Terry Verbeke
Jack Walton
Wynne Young
Claire Belanger-Parker
Rita Milenkovic
Kevin Rowswell

INTRODUCTION

This Annual Report for Tourism Saskatchewan represents the organization's results on activities and outcomes for the fiscal year ending September 30, 2012. It reports to the public and elected officials on public commitments made and other key accomplishments of the organization.

Although the Government of Saskatchewan announced on March 21, 2012 that Tourism Saskatchewan would become a Treasury Board Crown Corporation, information and activities outlined in this document are reported in relation to Tourism Saskatchewan's *Three-Year Business Plan 2009-2012* and three Ends Policies.

Ends Policies, which provide focus for the operational decisions and organizational objectives, focus on the following key areas:

- Promote Saskatchewan;
- Develop Capacity; and
- Lead through Corporate Stewardship.

Results are provided on committed strategies, actions, and performance measures identified in the *Three-Year Business Plan 2009-2012*. The Annual Report denotes progress made on Government commitments as identified in *Government Direction for 2011-12: The Saskatchewan Advantage*, the operating agreement with the former Ministry of Tourism, Parks, Culture and Sport, Throne speeches, and other statements.

The Annual Report also demonstrates the organization's commitment to effective public performance reporting, transparency, and accountability to the public.

ALIGNMENT WITH GOVERNMENT'S DIRECTION

Tourism Saskatchewan's 2011-12 Annual Report aligns with Government's Vision and three Goals:

Our Government's Vision
A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals
1. Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.
2. Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.
3. Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, all ministries and agencies support the achievement of Government's goals and work toward a secure and prosperous Saskatchewan.

Saskatchewan's tourism sector contributes significantly to the economy, generating an estimated $1.67 billion annually. Approximately 4,000 tourism-related businesses in the province provide full- and part-time employment to more than 57,000 citizens, 11% of the working population. An estimated nine million visits were made to and within the province in 2010.

Tourism Saskatchewan is the vehicle through which the province promotes Saskatchewan as a tourism destination by providing in- and out-of-province marketing of tourism, industry-government marketing programs, and the provision of visitor services, market research, and tourism product development. The organization also focuses on human resource development through its education and training branch, the Saskatchewan Tourism Education Council (STEC).

PROMOTE

SaskPower Windscape Kite Festival, Swift Current

PROMOTE

Tourism Saskatchewan's Ends Policies state that the organization will promote Saskatchewan by articulating the province's unique tourism experiences in a manner that promotes a positive image to potential visitors and citizens alike. In 2011-2012, Tourism Saskatchewan embarked on a number of initiatives to achieve this goal.

Saskatchewan Campaign

In March 2012, Tourism Saskatchewan launched the *Embrace A New Place* marketing campaign in Saskatchewan and Alberta. This campaign was Tourism Saskatchewan's first official foray into marketing directly to Saskatchewan residents. Prior to Tourism Saskatchewan absorbing the functions of the former tourism regions in fall 2011, the organization was responsible for marketing primarily outside of the province. With a budget of just over $900,000 in the two provinces, the campaign was a resounding success, generating direct economic impacts of $41.84 million by Alberta and Saskatchewan visitors across the province, producing a return on investment of $35.08 for every dollar spent by Tourism Saskatchewan.

The Saskatchewan Campaign was designed to instill pride, build a sense of place, and encourage residents and other visitors to the province to discover new vacation destinations and experiences. The multi-media campaign included television, radio, print, outdoor, online advertising, email marketing, social media activities, and contesting components to drive traffic to Tourism Saskatchewan's consumer website, www.TourismSaskatchewan.com.

The *Embrace A New Place* marketing campaign generated significant interest and awareness in Saskatchewan's vacation opportunities. Website visits by Saskatchewan residents were up by 75%, television generated over 2.25 million impressions, there were nearly 14,000 contest entries, Tourism Saskatchewan's Twitter followers increased by 31%, and Facebook likes increased by 14%.

Embrace A New Place was also the campaign theme used for television advertising in the Alberta market. Television was the primary medium used, supported by online advertising on associated television websites. The most significant print-based initiative was a 10-page advertorial in *Westworld Alberta* magazine. The advertorial featured 13 places to visit in Saskatchewan. Published by the Alberta Motor Association for its members, the magazine has a circulation of over 580,000 with a broad reach across the province.

The television media plan included 30-second spots, which ran on CBC, CTV, and Global, also aired on TSN during Saskatchewan Roughrider football games. While the target audience was Saskatchewan and Alberta, these spots ran nationally, carrying Tourism Saskatchewan's message across Canada. Commercials on TSN have given Saskatchewan's tourism industry its first national television exposure since the 1990s.

Combined, the Alberta- and Saskatchewan-targeted television campaigns generated over 11 million impressions. The radio campaign in Saskatchewan generated an additional two million impressions.

The campaign included tourism advertorials in the province's major daily newspapers. Building on the success of 2011, Tourism Saskatchewan, once again, partnered with PostMedia to publish a series of 12 one-page, full-colour articles in the *Regina Leader-Post* and *Saskatoon StarPhoenix*. Within the 2011-2012 fiscal year, nine of the 12 articles were placed in the Saturday editions of the newspapers. Topics included golf, fishing, festivals and events, urban playgrounds, outdoor adventure, provincial parks, and more.

Post-campaign research showed that recall of the advertorials was strong among the general population. The advertorials generated over $1 million in visitor spending. They not only provided a venue that resulted in over one million impressions but also an opportunity for tourism operators to promote themselves in the placement(s) of their choice.

Tourism Saskatchewan's eBusiness and Technology team supported the campaign with banner ads, social media awareness and engagement, and delivery of consistent messaging across all channels. The team also supported the associated contest, which was run using an in-house contest engine. Entrants were required to briefly describe a place in Saskatchewan that they longed to visit. There were 13,723 entrants eager to win the grand prize of a $5,000 customized vacation to their identified location. Banner ads in support of the *Embrace A New Place* campaign ran on Yahoo, The Weather Network, and PostMedia in Alberta and Saskatchewan.

Seventy-six industry partners invested close to $200,000 of their marketing dollars into the Saskatchewan Campaign, boosting the total cooperative advertising component to just under $400,000, far exceeding the anticipated $245,000 program. The campaign provided operators with advertising opportunities with buy-ins as low as $275 and a choice of media options and scheduling. Industry partners came from all areas of the province and included individual operators, communities, destination marketing organizations, city marketing organizations, and sector associations.

Advertising

In addition to the Saskatchewan Campaign, advertising was targeted at the American market. In the United States, Tourism Saskatchewan's advertising initiatives were primarily focused on promoting the province's world-class fishing and hunting products. A combination of television, print, and direct mail was used to reach targeted audiences.

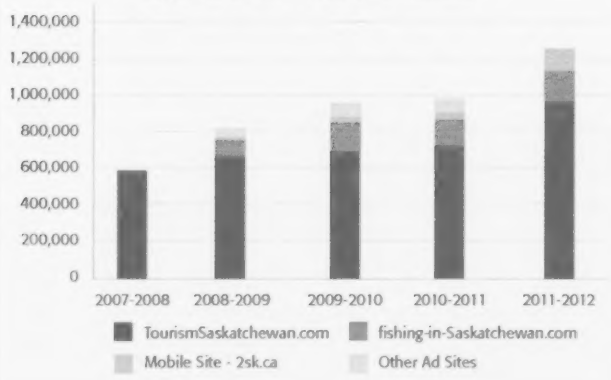
Consumer Contacts

In 2011-2012, potential visitors were exposed to positive messages about Saskatchewan almost 612 million times through advertising and marketing. An additional 935 million exposures were generated through unpaid media, such as hosted writers for magazines (print and online), hosted TV shows, and other travel media. Potential visitors made more than two million contacts with Tourism Saskatchewan, gathering information about the province's experiences and tourism products. Of these two million contacts, over 698,000 were directly attributable to advertising and marketing activities, including online advertising, traditional advertising, consumer marketplaces, and travel media. The remaining contacts were made in a variety of ways, including finding the website through a search engine, stopping at a Visitor Reception Centre, or calling Tourism Saskatchewan's toll-free line.

Online Marketing
Tourism Saskatchewan's online advertising program was responsible for 380,719 visits to its websites, or 31% of overall visits. Ad campaigns on Facebook were used to promote contests, build followings, and support other tourism businesses. Mobile ads on Yahoo and The Weather Network created awareness of and visitation to Tourism Saskatchewan's mobile sites and apps.

Visits to Tourism Saskatchewan's websites show continuous year-over-year growth for the past five years, from 600,000 visits in 2008 to 1.2 million visits in 2012.

Website Visits – Five-Year Results



Tourism Saskatchewan was the first provincial Destination Marketing Organization in Canada and one of the first in North America to launch a mobile site in 2010. In 2011-2012, significant improvements were made to www.2sk.ca, adding more listings, along with location functionality, social sharing, itinerary building, and mapping. The site's new structure and modern design were leveraged as the basis for a suite of apps for iPhone, iPod Touch, iPad, Android, and BlackBerry.

Production and deployment of Tourism Saskatchewan's popular online monthly newsletter, *SaskSecrets*, continued as its subscriber base reached 25,000.

Tourism Saskatchewan continued to increase engagement and awareness via its established social media channels, which include two Facebook pages, Twitter, YouTube, and Google+. Ongoing research into social trends also identified two new channels that are a good fit for tourism, in general, and Tourism Saskatchewan, and the organization is now actively engaging on Pinterest and Instagram.

In addition to the *Embrace A New Place Contest*, Tourism Saskatchewan also ran the *2011 Choose Your Vacation Contest*, which received 35,948 entries. For the *I Love Saskatchewan Summer Video Contest*, entrants were required to submit a one-minute video on what they loved about Saskatchewan summers.

The Online Marketing team ran the Google Adwords/Facebook ad component of the Saskatchewan Cooperative Advertising Campaign. This entailed consultation with the 15 participating businesses, followed by the design, creation, execution, and reporting of Google Adwords and Facebook ad campaigns. This opportunity was also offered on a trial basis outside of the purview of the Saskatchewan Campaign, and based on its success, will be repeated in the coming year.

Visitor Services
Visitor services and information are provided to potential and existing visitors in a variety of ways, including telephone, visits to Tourism Saskatchewan's websites, live chat, email inquiries, direct email responses, and in-person. In 2011-2012, Tourism Saskatchewan provided services to just under 126,000 actual and potential visitors, a decrease of 8.9% from 2010-2011. This decrease was the result of a decline of 4.7% in visits to Tourism Saskatchewan's five Visitor Reception Centres, primarily due to road construction in front of the Lloydminster centre, and a decline of 6.1% in inquiries to the Visitor Services Centre. Inquiries to Visitor Services were down due to fewer people entering contests.

Media Publicity
In 2011-2012, the travel media assistance program provided financial support to a total of 71 individual and group visits, resulting in approximately $3.7 million in exposure through print, television and web-based media in Canada, United States, United Kingdom, and Germany. A further $3 million in non-influenced exposure was recognized in Canadian and U.S. markets through Tourism Saskatchewan's unsubscribed media monitoring service.

There were many media publicity highlights this year. Travel writer Alan Solomon visited Prince Albert National Park and Grasslands National Park, as well as Saskatoon, Regina, and Moose Jaw this summer. Solomon's subsequent story – titled "Canada's Overlooked Gem" – in the *Chicago Tribune* and several affiliates provided over $40,000 worth of exposure. Photographer Eric Lindberg, who has been supported on three visits to Saskatchewan, was, once again, named the Society of American Travel Writer's Photographer of the Year. Lindberg was one of 25 photographers asked by www.popphoto.com to name the best places in the world to photograph, and he chose Saskatchewan.

Consumer Shows and Marketplaces

In 2011-2012, Tourism Saskatchewan supported 65 industry partners in attending 22 targeted trade shows in Saskatchewan, Alberta, and the United States, promoting the province's priority tourism experiences with an emphasis on fishing, hunting, outdoor adventure, RV camping, golf, and urban options. Over 36,000 contacts were made, along with almost three million visitor impressions.

Consumer show interaction remained a priority and the green screen photo booth was used to build awareness and increase name capture at larger shows and in new locations, such as the International Sportsmen's Exposition (ISE) in Salt Lake City, as well as at return venues that have proven successful, like the Calgary Stampede. This year, Tourism Saskatchewan, along with five industry partners, made contact with almost 5,000 visitors at the Calgary Stampede. Close to 2,000 photos were taken with 50% opting in for more tourism information.

Travel Trade

In 2011-2012, Tourism Saskatchewan refocused on German-speaking Europe by engaging a new general sales agent. Denkzauber's extensive knowledge and connections with travel trade and media have already proven fruitful with increased advertising and marketing opportunities, presence at consumer, trade, and media events, and broadened awareness of Saskatchewan through involvement at events like the RCMP Musical Ride in Verden, Germany, which entertained an audience of 3,000. Tourism Saskatchewan hosted six operators on

Quartzsite Sports, Vacation & RV Show

a Canada Specialist Program Trade Familiarization (FAM) Tour, with 29 industry partners. An immediate result has been the addition of Saskatchewan product to trade offerings.

Tourism Saskatchewan has worked closely with industry partners on applications to the Canadian Tourism Commission (CTC)'s *Signature Experience Collection*, with the result of three new businesses accepted into this overseas trade marketing program, bringing Saskatchewan's total to five. To further assist industry in learning more about this opportunity and the CTC's *Explorer Quotient (EQ)* market segmentation tool, Tourism Saskatchewan, partnering with Tourism Saskatoon, hosted three workshops, benefiting the 39 tourism businesses and professionals who participated.

Tourism Saskatchewan continues to work with select North American travel trade. A direct result of hosting Anderson Vacations on a staff retreat in December was an incentive trip booking to Selwyn Lake Lodge, valued at $40,000, by the Canadian resource company Ledcor.

In 2011-2012, Tourism Saskatchewan attended four marketplaces, agent events, conducted sales missions, and presented an agent webinar, making connections with 230 key travel influencers.

Travel Literature
Tourism Saskatchewan's travel guides are core marketing pieces for the organization and for the sector. The *Saskatchewan Discovery Guide*, launched in December 2009, is a comprehensive travel publication filled with information about communities, events, attractions, parks, history, culture, accommodations, campgrounds, suggested itineraries, opportunities for adventure and recreation, and more.

The *Saskatchewan Fishing & Hunting Guide* includes feature stories on operators, and individuals, and on topics of keen interest to Canadian and American hunters and anglers. *The Perfect Drive: Saskatchewan Golf Vacations* and the *Official Saskatchewan Road Map* complete Tourism Saskatchewan's travel literature series.

All travel guides were produced on time and within budget for 2011-2012. As of September 30, 2012, 169,802 (97% of those printed) copies of the *Saskatchewan Discovery Guide*, 69,900 (99.9%) copies of the *Saskatchewan Fishing & Hunting Guide*, and 67,153 (90%) copies of *The Perfect Drive: Saskatchewan Golf Vacations* were distributed to travellers and potential visitors.

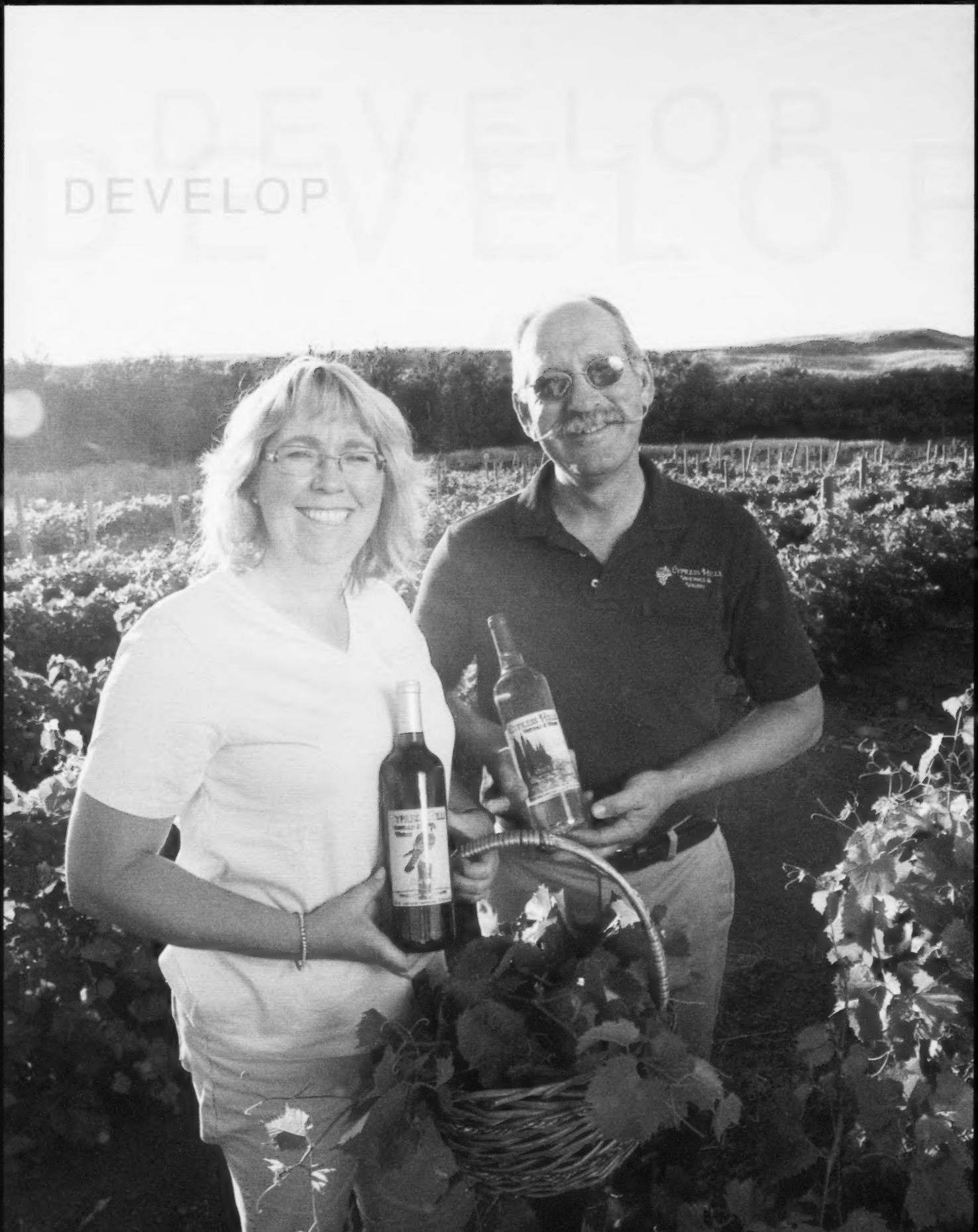
Typically, Tourism Saskatchewan's travel guides are fulfilment pieces, either distributed to tourists at visitor centres, or by request. In 2012, Tourism Saskatchewan conducted a pilot project and inserted over 75,000 guides in four newspapers for promotional purposes. The *Saskatchewan Discovery Guide*, *Saskatchewan Fishing & Hunting Guide*, and *The Perfect Drive: Saskatchewan Golf Vacations* arrived in targeted neighbourhoods at the homes of subscribers to the *Regina Leader-Post*, *Saskatoon StarPhoenix*, *Medicine Hat News*, and *The Western Producer* in Alberta. With an insertion cost of $1.04 per household, the project resulted in $3.5 million in visitor spending across Saskatchewan.

Saskatchewan Tourism Week
Tourism Saskatchewan joined forces with other provinces to celebrate *National Tourism Week* from May 14-21. Throughout the week, provincial media promoted awareness of the importance of the sector and its contribution to the provincial economy. The week was launched at an event held at the Saskatchewan Science Centre's IMAX Theatre in Regina.

Throughout *Saskatchewan Tourism Week*, more than 40 events were held in communities across the province. Media coverage before, during, and after the week was impressive, with representatives from Tourism Saskatchewan and other tourism industry ambassadors appearing on radio and TV, and in print media. Tourism Saskatchewan's 11th annual *Snap It! The Great Saskatchewan Photo Contest* also launched during the week, along with province-wide radio trivia contests, newspaper ads and inserts, and news releases, all of which promoted tourism messages to residents.

Special Projects
Tourism Saskatchewan partnered with Sport Tourism Saskatchewan (made up of Sport Tourism Saskatoon and Regina Regional Opportunities Commission) at SportAccord International Convention in Quebec City. The convention is a key venue for marketing sport venues and event attraction, and brings together an international delegation of sporting organizations. Tourism Saskatchewan promoted the province and tourism at the Saskatchewan reception by employing a fun photo booth and taking 100 instant photos, which created a buzz with the guests.

Tourism Saskatchewan continued to work closely with the province's airports, city tourism marketing, and economic development organizations on a long-term plan to improve air access to Saskatchewan. To assist in developing the Saskatchewan Air Services strategy, the group contracted research on market size and market share for Saskatoon and Regina International Airports. As well, research for business and leisure travel was undertaken through media and trade scans in Germany and the United Kingdom. The project has received three-year funding of $304,000 through Western Economic Diversification.


DEVELOP

DEVELOP

Tourism Saskatchewan's Ends Policies state that the organization will develop the capacity of Saskatchewan's tourism industry by providing leadership and programs that enhance the tourism industry's capacity to deliver superb visitor experiences with a commitment to sustainable development. In 2011-2012, Tourism Saskatchewan participated in a number of initiatives to achieve this goal.

Destination Area Planning

Implementation of the Lake Diefenbaker plan continued during 2011-2012. During July, financing was secured for construction of the $26.5-million Dakota Dunes Hotel. It will be located adjacent to the Dakota Dunes Casino and Entertainment Centre and Dakota Dunes Golf Links. The facility will include 160 rooms, meeting areas, restaurant, lounge, spa, fitness centre, and swimming pool. Construction is targeted to start in spring 2013.

The reconstruction and paving of the last stretch of Highway 219 from Saskatoon to the junction of Highway 15 was completed. Planning for reconstruction of the remaining 26 kilometres from that junction to Danielson Provincial Park will be the next step in providing excellent highway access from Saskatoon to Lake Diefenbaker – a total distance of 99 kilometres.

Other highway construction projects included work on Highway 342 between Beechy and Kyle, Highway 4 south of the entrance to Saskatchewan Landing Provincial Park, and resurfacing of Highway 261, which runs eastward 3.1 kilometres from Highway 4 through the park.

The Saskatchewan Tourism Education Council (STEC) delivered the *Service Best* Facilitator Skills Development Program in the Lake Diefenbaker area. Nine high school teachers were certified to deliver the course to students, and more than 30 students have received the training.

Significant achievements have also been made in the Cypress Hills Destination Area. This summer, the Ministry of Parks, Culture and Sport completed the Meadows campground development project in Cypress Hills Interprovincial Park. It opened to the public on the July long weekend. The development includes a new service centre and electrification of 118 campsites, which began last year. The bridge over Battle Creek in the West Block was upgraded, improving the road connection with the Alberta side of Cypress Hills Interprovincial Park.

At the *Saskatchewan Tourism Awards of Excellence Gala* in March, Cypress Hills Eco-Adventures, which operates a zipline canopy tour and rock climbing wall in the park, won the Rookie of the Year Award. The award is presented to a "Saskatchewan tourism business, event, or association that opened in the previous year and had an immediate impact on tourism activity." A scene from the zipline canopy tour was also featured on the cover of the *Saskatchewan Discovery Guide* and *Saskatchewan Official Road Map* for 2012.

During 2012, Cypress Hills Destination Area Inc. was incorporated to manage the implementation of the strategic plan. Facilitated by Tourism Saskatchewan's Industry Development staff, the process included open houses attended by more than 100 participants in six area communities. Funding partners for a new Destination Marketing Fund have been recruited and are now in place. Targeted activities including branding, creation of a marketing plan, and member recruitment are underway.

The Waskesiu Wilderness Region (WWR) continues to build its capacity by expanding its marketing tools, including internet and visual images, and building partnerships and recognition within the industry by participating in travel shows, such as Rendez-vous Canada. WWR is also expanding its membership by including Food and Beverage and Retail operations in its structure.

Manitou Springs Hotel & Mineral Spa

Cypress Hills Eco-Adventures

Elk Ridge Resort

Tobin Lake

In August, Elk Ridge Resort announced that its "Cottages at Elk Ridge" vacation community had sold out in record time. The 39 available properties were purchased in just 38 days after being placed on the market. This will be the fourth neighbourhood within the Elk Ridge community.

Nearby, a $4-million upgrade to Highway 953 was completed this summer, which greatly improved access to campgrounds and commercial tourism operations at Anglin Lake.

Consultations on the proposed Anglin-Emma Lakes Provincial Park continued throughout 2011-2012. They have resulted in recommendations to expand the originally proposed boundaries, resulting in an increase from an area of 8,225 hectares to 12,821 hectares.

The Trails of 1885 themed destination area continued during 2011-12, supported by five funding partners and a volunteer Board of Directors. The Trails of 1885 Association Inc. Board now has representation from all three Prairie provinces. A renewed plan for this themed destination area is under preparation, and will incorporate input from consultations with stakeholders from the 1885 Coalition and government ministries in Alberta, Manitoba, and Saskatchewan.

Planning for a Tobin Lake Tourism Destination Area continued in 2011-2012. Tourism in the area has been experiencing substantial growth. In 2010, a new 67-room Canalta Hotel opened in Melfort, and, in 2011, a similar property opened in Tisdale. A 24-room hotel in Carrot River is scheduled to open in December 2012. Fishing and golfing experiences in the area are legendary, and major events take place throughout the area, notably this year's Wounded Warriors Weekend event held in Nipawin, in conjunction with the Nipawin Legion and area volunteers.

The plan was completed in June, and rather than forming or designating an overall entity to oversee its implementation, participants decided to implement its recommendations independently.

Quality Assurance Program

The 2011-2012 fiscal year marked the third year of work on the Quality Assurance Program (QAP), as outlined in the *Three-Year Business Plan 2009-2012*.

The program is built on the following three key pillars:

- Define – the QAP is a set of quality criteria defined and developed by representatives from the tourism sector's specific industries.
- Share – the QAP provides tourism businesses and organizations with knowledge and support on building a culture of quality.
- Recognize – the QAP provides recognition for participating businesses and organizations through the profile of the QAP brand and by offering exclusive program and service value.

Using the process of Industry Validation Committees (IVCs) and guided by a resolute commitment to a "culture of quality," evaluation criteria were completed for four tourism industries. These included programs for accommodations, professionally managed museums, outdoor adventure operators, and private and municipally-operated campgrounds. IVCs representing events and bed and breakfast owners are in the process of finalizing program criteria for these industries. Other industries will progressively have criteria developed by industry representatives in the 2012-2013 fiscal year. Overall, the program is expected to include 14 industries of the tourism sector.

The QAP website was launched in April 2012. The website has been designed to be one of the first points of contact with the sector, and includes updated and timely content. Complementing the website has been the development of QAP-specific Customer Relationship Management (CRM) processes that will enable a streamlined and efficient management of the different engagement stages leading up to the accreditation of a tourism business. Initial staff training on the use of the CRM system at various stages of sector engagement has been completed.

A pilot test of the QAP for the four industries with completed criteria began in September 2012. It involves testing QAP systems, processes, and tools for functionality, objectivity, comprehensiveness, efficiency, and effectiveness. Pilot candidates were recruited from the IVCs because they had an understanding of and demonstrated support for the QAP. The feedback from this process will identify opportunities for program modification and improvement.

Tangible benefits that provide strong return on investment are an integral part of the QAP. To that end, work has been undertaken to identify possible internal and external partnerships and benefits that could provide new services or reduced fees for existing services for quality assured businesses. It is expected that when the QAP goes operational, these benefits will be available for businesses that become quality assured.

Government, industry stakeholders, Quality Assurance Task Team, and Tourism Saskatchewan's management and staff have continued to provide leadership and support that will enable the successful implementation of an integrated and comprehensive quality assurance program.

President's Labour Market Task Team

During the 2011-2012 fiscal year, Saskatchewan Tourism Education Council (STEC) updated the Tourism HR Strategy, *Charting Our Future with the Best People*, developed by the President's Labour Market Task Team and its predecessor, the Saskatchewan Tourism Labour Market Partnership. The Tourism HR Strategy describes a five-year framework for making businesses and other organizations in Saskatchewan's tourism sector leaders in progressive human resource practices and employers of choice.

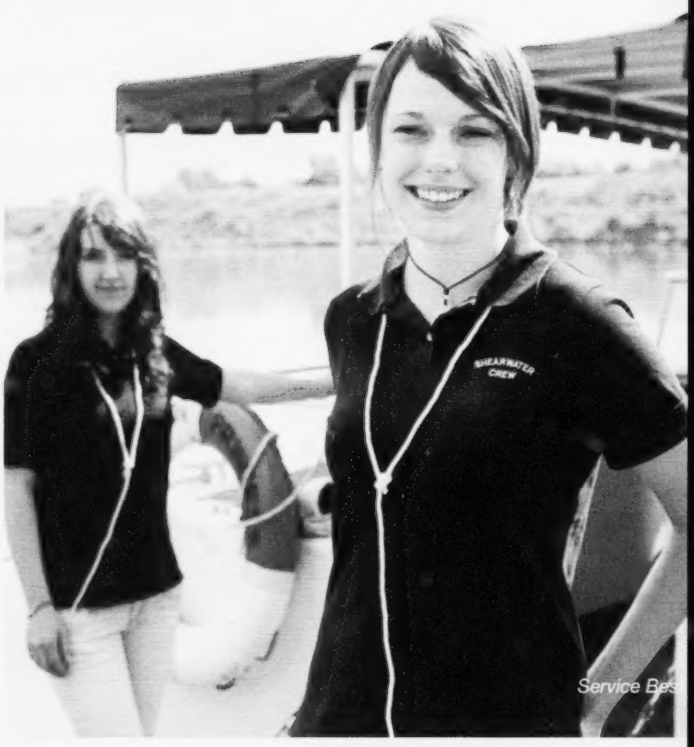
The Tourism HR Strategy outlines the structure, programs, services, and practices that will direct STEC's efforts and resources in three strategic directions:

- Strategic Direction 1: Toward enhanced support in the use of human resource best practices in the recruitment, training and development, and retention of qualified workers for current and future openings.
- Strategic Direction 2: Toward greater participation, retention, and advancement of a diversified workforce, including Aboriginal and other under-represented workers in the tourism industry in Saskatchewan.
- Strategic Direction 3: Toward increased awareness of the numerous benefits of working in the tourism industry.

Industry Training

In 2011-2012, STEC provided training services and skill development products to 3,214 participants, including:

- 978 *Serve It Right Saskatchewan*;
- 1,737 *Service Best*, *Service Best* Management, *Showing We Care*, and *Selling Is Service*;
- 132 *emerit* standards-based training;
- 54 *Essential Skills Series*;



- 56 *Workplace Trainer*;
- 196 Workplace Hazardous Materials Information System (*WHMIS)*; and
- 61 facilitators to deliver STEC workshops, *Ready To Work* skills, and other HR development training.

Employer of Choice

Tourism Saskatchewan strives to be a leader in human resource development. The STEC division launched the Saskatchewan *Employer of Choice* program in 2009, recognizing the first four *Employers of Choice* in 2010. In 2011-2012, STEC recognized nine organizations, including Tourism Saskatchewan as *Employers of Choice*. The tourism *Employer of Choice* initiative, the first of its kind in Saskatchewan, is designed to assist tourism businesses attract and retain the best staff and develop a more highly skilled workforce.

emerit Standards and Certification

Registration in *emerit* Professional Certification totalled 148 individuals, with 104 completing and obtaining nationally recognized *emerit* certification in their occupations by September 30.

STEC successfully promoted business sustainability in Saskatchewan's tourism sector by recruiting industry experts to participate in the revision and development of *emerit* standards and certification programs and other Canadian Tourism Human Resource Council (CTHRC) development projects.

CTHRC *emerit* certification introduced changes to help the brand more effectively address the measurement of competency of tourism professionals, improve responsiveness to clients' needs, and provide more cost-effective administration. Tourism Certified Professional and Tourism Certified Supervisor designations were realigned, resulting in the retirement of the supervisor designation and the addition of Tourism Certified Specialist, along with new branding and emerit logo. The Specialist certification, comprising seven occupations, was introduced to the marketplace in June. Professional certification, consisting of 18 occupations, launched in September.

STEC distributed Tourism Visitor Information Counsellor *emerit* National Occupational Standards to 20 community-based visitor centres across the province. In addition, all visitor centres in Saskatchewan were provided with links to download web-based versions of the Tourism Visitor Information Counsellor and Tourism Visitor Information Supervisor standards. The standards provide valuable tools to help visitor centre staff and volunteers broaden their skill sets and self-confidence, improve their handling of monetary transactions, develop merchandising and selling skills, and become experts in service excellence.

Tourism Apprenticeships

During 2011-2012, in partnership the Saskatchewan Apprenticeship & Trade Certification Commission (SATCC), STEC coordinated another successful Aboriginal Apprenticeship project with 31 new apprentices registered. As of September 30, nine completed journeyperson, 17 were in process, and five discontinued. Over the past few years, STEC's partnerships with SATCC, Saskatchewan Gaming Corporation (SGA), and Saskatchewan Indian Gaming Authority (SIGA) have resulted in 56 apprentices registered and 26 journeypersons completed at SIGA, with an additional 31 journeypersons at SGA. STEC serves as the Industry Joint Training Committee for Journeyperson in the Food and Beverage Person and Guest Services Representative trades.

Ready To Work – Tourism Careers (RTW)
STEC delivers the *Ready to Work – Tourism Careers (RTW)* program, coordinated nationally by the CTHRC. *RTW* is a career awareness, skills development, and transition to employment program that assists individuals in finding long-term, rewarding careers in the tourism sector. STEC managed 26 *RTW* partner contracts to support 10 programs across the province. In 2011-2012, 307 individuals participated in the program, with 80% having obtained employment or returning to school. Since its inception in 1994, STEC's *RTW* program has engaged more than 1,000 employers, providing training for more than 4,600 participants in Saskatchewan.

The tourism labour shortage was addressed by continuing to implement the Aboriginal recruitment and retention strategy for the tourism sector. Seven new partnerships were established.

Market Development Plan: Recruit, Train, Retain
In 2011-2012, STEC reached the implementation stage of its strategic Market Development Plan (MDP) initiative started in 2010. STEC has always been responsive to industry needs, offering an established inventory of products and services. The MDP provides a refocus of STEC's marketing efforts in a changing business environment.

STEC's mandate remains centred on the professional development of the tourism industry. The division's renewed focus aligns its product and service offerings with three "lines of business" accepted by the market:
• Recruitment – nurturing potential employee pools for qualified operators.
• Training – co-ordinating skill-specific training programs and educational workshops.
• Retention – offering retention-specific suite of programs for operators.

"Recruit, train, retain" becomes the core premise for transforming operators' human resource practices and labour management. This focus is critically important to the quality of the visitor experience and competitiveness of Saskatchewan's tourism industry.

The MDP and associated initiatives support sustained business development under the strategic direction established by the Saskatchewan Tourism Labour Market Task Team.

UPSKILL Essentials to Excel
The *UPSKILL Essentials to Excel* research demonstration project concluded its employee training phase within Saskatchewan in September 2012. The independent study is designed to obtain reliable measures of the impacts of essential skills training on skills, job performance, and other outcomes in the accommodations industry. In Saskatchewan, 135 workers (of 1,200 nationally) and 11 employers (of approximately 100) are participating, a healthy contribution to this national initiative. The study began in February 2010 and runs for three years, with the final report to be issued in mid-2013.

UPSKILL Essentials to Excel is funded by the Government of Canada's Office of Literacy and Essential Skills (OLES). The project is being managed by the Social Research and Demonstration Corporation (SRDC), a non-profit organization specializing in policy research. It is coordinated locally by provincial Tourism Human Resource Organizations (THROs) and other partners, working in cooperation with the CTHRC. STEC coordinates the Saskatchewan portion of the study. Needs analysis and training is completed in partnership with SkillPlan and the Training Group at Douglas College.

Responsible Gaming for VLT Site Operators
Responsible Gaming for VLT Site Operators Online replaces the classroom-based *Responsible Gaming for VLT Site Operators* course developed by the Saskatchewan Liquor and Gaming Authority.

The online course utilizes SkillBuilder™, a Base Corp. Learning Systems proprietary application, as the delivery system for course registration, learning content delivery, testing, and program management. SkillBuilder is licensed to STEC, which uses the application for online course delivery at www.steconlinelearning.com and www.sirs.ca. The online *Responsible Gaming for VLT Site Operators* course is offered in a stand-alone instance of the application, hosted at http://sk.vltonline.ca, under the existing STEC license agreement.

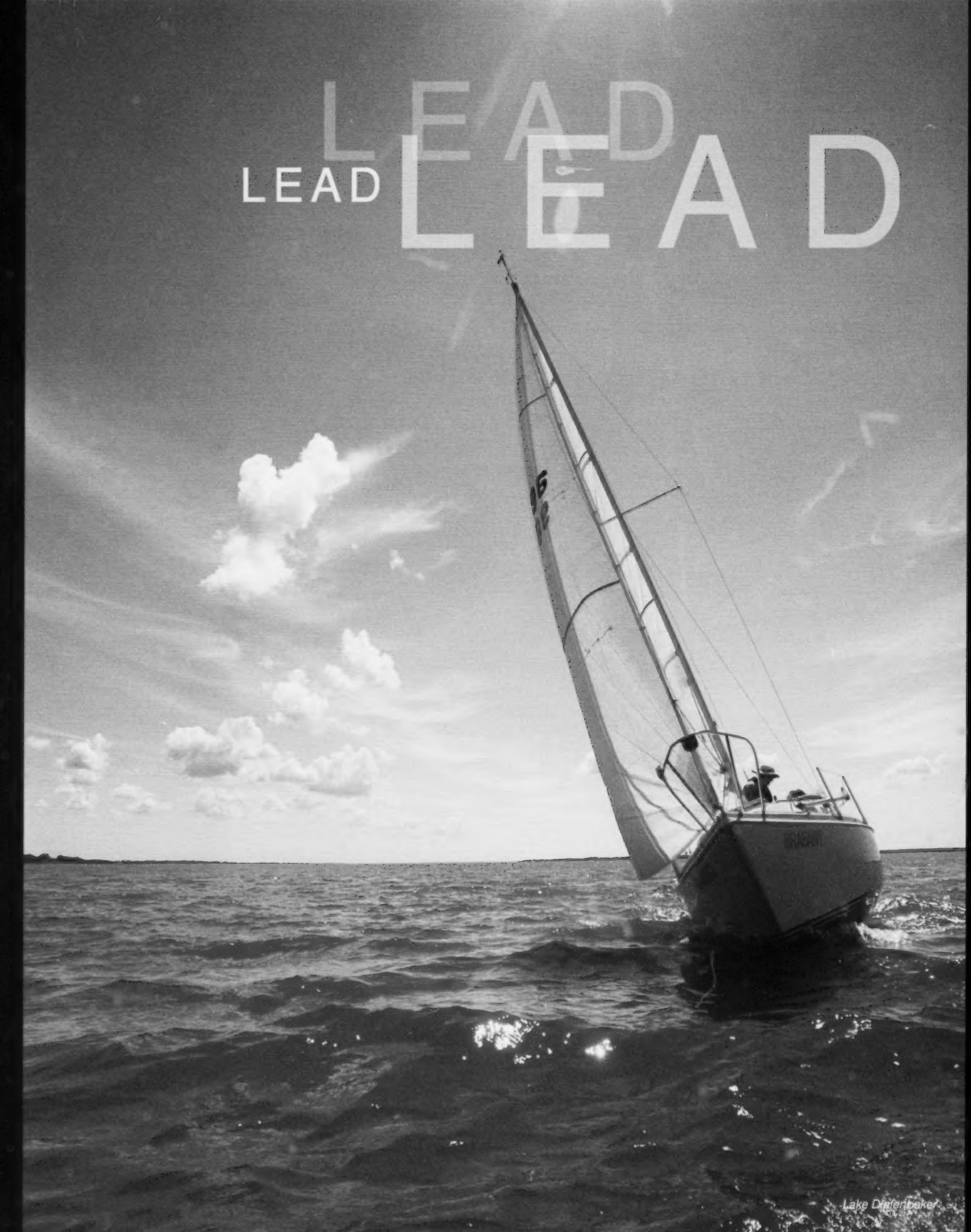
Canadian Academy of Travel and Tourism (CATT)
The Canadian Academy of Travel and Tourism (CATT) program expanded to four schools, with the addition of Bethlehem Catholic High School in Saskatoon in January 2012. Nutana Collegiate Institute and Mount Royal Collegiate in Saskatoon and Punnichy Community High School continued from the previous year. The CATT program introduces tourism careers to high school students across Canada. Integrated into the curriculum, it allows students to specialize in tourism through a successful work and study approach.

Professional Recognition Dinners
In June, Professional Recognition Dinners held in Saskatoon and Regina presented honours to 120 new nationally certified tourism professionals and 40 apprentices who obtained Journeyperson in the previous year. These dinners also recognized 74 Saskatchewan businesses that have demonstrated best-practices and a commitment to employee training and development.

Canadian Apprenticeship Forum
In June 2012, STEC co-presented, with SIGA and SGC, at the Canadian Apprenticeship Forum. More than 400 apprenticeship stakeholders from across Canada and the United States met in Regina to share best practices, ideas, and innovations. The joint presentation described new trades and new approaches to the delivery of apprenticeship training. Saskatchewan was the first province to develop tourism trades for Food and Beverage Person and Guest Services Representative. STEC is working with the SATCC toward establishment of the Red Seal designation for these trades by encouraging other provinces and territories to participate.

Industry Development Advisory Services
In 2011-2012, the new *Tourism Business Development and Financing Guide* and *Community Tourism Planning Guide* were published. The guides were introduced at the Saskatchewan Urban Municipalities Association Annual Conference in Regina. In May, the communities of Manitou Beach and Watrous jointly completed and began implementation of their impressive new tourism plan. The process was facilitated by Industry Development staff, and the plan is being made available as a working example of how to make a tourism plan work for a community.

Industry Communication
Tourism Saskatchewan provided pertinent and timely information to industry through a variety of media, including the quarterly printed newsletter, *Going Places*, www.industrymatters.com website, and *Industry Update* and *Here & There* e-newsletters.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Tourism Saskatchewan's Ends Policies state that the organization will lead through corporate stewardship by maintaining internal and external support structures that ensure financial stewardship, a healthy corporate environment, and positive relationships. In 2011-2012, Tourism Saskatchewan embarked on a number of initiatives to achieve this goal.

Transition to a Treasury Board Crown Corporation

The announcement that Tourism Saskatchewan would become a Treasury Board Crown Corporation resulted in a new governance structure. The previous Board of Directors assisted the organization through the transition process up to the proclamation of *The Tourism Saskatchewan Act* on July 1, 2012. A new Board of Directors was appointed and the Acting President/Chief Executive Officer and the Chief Financial Officer provided necessary information and materials to familiarize them with the organization and to assist them in fulfilling their responsibilities.

As part of preparations for the change in structure, Tourism Saskatchewan provided representation to a Transition Team that was chaired by Government personnel. This collaboration was intended to ensure a smooth transition to the new governance model, minimal disruption of vital campaigns, programs, and services, and clear communication with industry on the changes. Executive management played a key role in determining the impact of the change for the organization in terms of new legislated authorities and program priorities, and ensuring that staff remained engaged and committed to the success of the organization.

Tourism Sector Renewal

In 2011, a comprehensive *Tourism Funding Program Review* recommended significant changes to the funding model and relationship structure between Tourism Saskatchewan, the five rural tourism regions, and city marketing organizations in Regina and Saskatoon.

Moving forward with the recommendations, the Board of Directors assembled a Transition Advisory Team to provide guidance to the organization. Their advice would assist the navigation from business under the former Memorandum of Agreement to a new model that would transfer marketing and membership responsibilities and the associated administration of such, previously held by the regions, to Tourism Saskatchewan.

In addition to working with the Transition Advisory Team, collaboration with regional boards and staff was key to a smooth transfer with minimal disruption of important services. Various departments played important roles, ensuring the logistical support for the five new field offices, located in Moose Jaw, Weyburn, North Battleford, Arborfield, and La Ronge, and staff was in place and that internal systems and structures could support the administration functions within current resources. Knowledgeable of the industry, Field Representatives serve as direct liaisons with tourism operators and businesses throughout the province and work to ensure clear lines of communication and strong grassroots connections.

The Transition Advisory Team provided regular updates to the Board of Directors, and a Checkpoint Report was submitted in January 2012. One of the most immediate efficiencies was the more concentrated and coordinated marketing campaign targeted at Saskatchewan residents. With only a brief planning period, Tourism Saskatchewan launched the *Embrace A New Place* campaign in March. Throughout the spring and summer, Saskatchewan citizens were encouraged to explore a new destination or experience within the province. Preliminary figures speak to the quality and effectiveness of the campaign and show a strong return on investment.

Technological Change

Tourism Saskatchewan has identified major technology trends that are affecting consumers, workers, and businesses, large and small. These include social, mobile, unified communications, video, cloud services, the exponentially increasing amounts of digital information, and the growing importance of business analytics. These trends will continue to affect every aspect of the information technology environment and will impact Tourism Saskatchewan and the travel industry for years to come. Tourism Saskatchewan addresses these changes proactively by developing projects that match technology with business goals and objectives.

Tourism Saskatchewan continued to introduce new and innovative marketing techniques on existing and emerging social media channels, and is actively marketing on mobile platforms. This year, Tourism Saskatchewan's mobile website, www.2sk.ca, underwent a major upgrade, including a new design and the addition of increased tourism information, geo-location services, itinerary building, and more. The new design and features were applied across the matching suite of mobile apps that were also developed this year. These include apps for iPhone, iPod Touch, iPad, BlackBerry, and Android.

In 2011-2012, the organization continued to expand the capabilities of its Customer Relationship Management system. Functions to support Tourism Industry Database, industry communication, and email marketing processes were implemented. Development is currently underway to include Quality Assurance process tracking and communication, STEC account management process tracking, and marketing campaign tracking.

Employer of Choice

Tourism Saskatchewan strives to be a leader in human resource development. The organization, once again, earned *Employer of Choice* designation, which recognizes excellence in human resource practices and employee satisfaction. Comprehensive employee benefit plans provide peace of mind and encourage work/life balance.

Unionized Employee Agreement

A new four-year collective agreement was signed for the period of October 2010 to September 2014. A key component of the new agreement was the implementation of a new job classification plan that had been jointly created in the previous two years. An interest-based approach was once again used in the collective bargaining process – one that matches the ongoing union/management relationship model in place at Tourism Saskatchewan.

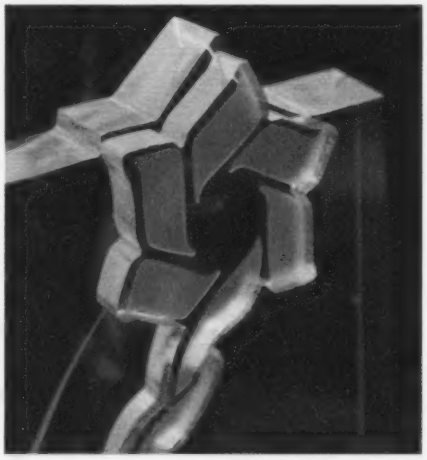
President's Task Teams

The President's Task Teams were formed in response to Saskatchewan's first *Summit on Tourism* in 2007, during which delegates identified a number of barriers to overcome in order to advance the tourism sector from *Good to GREAT*. Four Task Teams were assembled to address the following issues: quality assurance, resources, product development and infrastructure, and resident pride. A fifth, dedicated to cultural tourism, would build upon the work of a previous committee, the Cultural Tourism Tactical Team. A Terms of Reference was developed for a sixth committee, the Tourism Labour Market Task Team.

Several Task Teams reached the end of their three-year mandate in 2011. The Quality Assurance Task Team was extended to assist with the implementation of the Quality Assurance Program for Saskatchewan's tourism sector. The work of the Product Development and Infrastructure Task Team provided a foundation for an Industry Development Advisory Council, for which a Terms of Reference is being drafted. The Tourism Labour Market Task Team will continue to provide guidance to Tourism Saskatchewan and STEC in areas involving industry human resources.

Saskatchewan Tourism Awards of Excellence

The annual *Saskatchewan Tourism Awards of Excellence* pay tribute to individuals and businesses that go "above and beyond" to provide visitors with exceptional service and experiences. At the awards gala celebration in March, the spotlight was on 38 honourees.



Canadian Tourism Awards

Tourism Saskatchewan dedicated time and effort to nominating deserving businesses, events, and attractions to the *Canadian Tourism Awards*, held during the Tourism Industry Association of Canada's annual Tourism Congress. In November 2011, Saskatchewan was represented at the awards gala by two finalists: Gold Eagle Lodge was nominated in the category of Excellence in Human Resources Development and Trails of 1885 was nominated for the Marketing Campaign of the Year Award.

In July, 24 nominations from Saskatchewan were submitted for the *2012 Canadian Tourism Awards*. Tourism Saskatchewan was nominated in the category of Marketing Campaign of the Year for its *Embrace A New Place* campaign. Additionally, Gold Eagle Lodge was, again, named as a finalist in the category of Excellence in Human Resources Development, along with Gold Eagle Casino, and Canalta Hotels was nominated for Business of the Year.

Community Outreach

Community outreach was demonstrated through sponsorship activities and support of 146 events, workshops, fundraising activities, and initiatives undertaken by cultural, heritage, and sports organizations. Staff in Tourism Saskatchewan's Regina and Saskatoon offices embraced the annual United Way Campaign, raising $6,610.

FINANCIAL STATEMENTS

TOURISM SASKATCHEWAN
Financial Statements
September 30, 2012

Scott Lake Lodge

MANAGEMENT'S RESPONSIBILITY

To the Members of the Legislative Assembly of Saskatchewan:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of Tourism Saskatchewan. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for the approval of the financial information included in the Annual Report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of Tourism Saskatchewan's external auditors.

MNP LLP, an independent firm of Chartered Accountants, is appointed by the Lieutenant Governor in Council to audit the financial statements; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

November 13, 2012

Vice President

Chief Financial Officer

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan:

We have audited the accompanying financial statements of Tourism Saskatchewan, which comprises the statement of financial position as at September 30, 2012, September 30, 2011, and October 1, 2010, and the statements of operations, changes in net assets and cash flows for the years ended September 30, 2012 and September 30, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tourism Saskatchewan as at September 30, 2012, September 30, 2011, and October 1, 2010 and the results of its operations and its cash flows for the years ended September 30, 2012 and September 30, 2011 in accordance with Canadian public sector accounting standards.

MNP LLP
Regina, Saskatchewan

November 13, 2012
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2012

	2012	2011 (Restated Note 2)	October 1, 2010[1] (Restated Note 2)
FINANCIAL ASSETS			
Cash (Note 5)	**$2,073,346**	$1,648,608	$720,919
Accounts receivable	**729,073**	515,847	940,221
Inventory for resale	**9,470**	8,406	11,685
	2,811,889	2,172,861	1,672,825
LIABILITIES			
Accounts payable and accrued liabilities (Note 6)	**$1,075,327**	$1,352,764	$1,165,763
Unearned revenue	**30,522**	40,546	19,400
Deferred contributions related to capital assets (Note 7)	**-**	-	143,334
Deferred grant contribution (Note 7)	**-**	-	288,125
Leasehold loan (Note 8)	**-**	-	643,229
	1,105,849	1,393,310	2,259,851
NET FINANCIAL ASSETS (LIABILITIES)	**1,706,040**	779,551	(587,026)
NON FINANCIAL ASSETS			
Tangible capital assets (Note 9)	**1,160,492**	1,581,681	2,131,570
Prepaid expenses	**63,514**	91,373	57,498
	1,224,006	1,673,054	2,189,068
ACCUMULATED SURPLUS	**$2,930,046**	$2,452,605	$1,602,042

Contingent Liabilities (Note 6)
Designated Assets (Note 11)
Commitments (Note 13)

See accompanying notes to financial statements.

[1]This is the opening statement of financial position at the date of transition.

APPROVED BY THE BOARD:

Director

Director

STATEMENT OF OPERATIONS

YEAR ENDED SEPTEMBER 30, 2012

	Budget (Note 16)	2012	2011 (Restated Note 2)
REVENUE			
Provincial Operating Grant (Note 12)	**$12,453,832**	$12,453,834	$11,903,899
Other Grants and Contributions	**2,989,000**	1,687,603	1,953,722
Certification and Training	**405,000**	191,732	305,836
Sales of Products and Services	**250,460**	136,275	294,208
Advertising	**259,500**	245,184	262,795
Listings	**120,000**	100,720	118,633
Partnership	**201,000**	674,044	210,262
Interest and other	**10,000**	66,416	24,815
	16,688,792	15,555,808	15,074,170
EXPENSES (Schedule 1)			
Administration	**4,336,663**	3,720,196	3,742,724
Marketing	**6,088,540**	6,915,579	6,229,613
Training and Education	**3,938,460**	2,307,115	2,464,546
Industry Development	**1,221,040**	976,955	767,384
Visitor Services	**882,910**	925,633	761,869
Research	**211,179**	232,889	257,471
	16,678,792	15,078,367	14,223,607
SURPLUS FOR THE YEAR	**$10,000**	$477,441	$850,563
Accumulated surplus - beginning of year	**2,452,605**	2,452,605	1,602,042
Accumulated surplus - end of year	**$2,462,605**	$2,930,046	$2,452,605

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

YEAR ENDED SEPTEMBER 30, 2012

	Budget (Note 16)	2012	2011 (Restated Note 2)
Surplus for the year	**$10,000**	$477,441	$850,563
Acquisition of tangible capital assets	**(255,000)**	(149,055)	(271,969)
Amortization of tangible capital assets	**585,000**	570,244	821,858
	340,000	898,630	1,400,452
Use (purchase) of prepaid expenses and supplies	**-**	27,859	(33,875)
Increase in net financial assets	**340,000**	926,489	1,366,577
Net financial assets (liabilities) - beginning of year	**779,551**	779,551	(587,026)
Net financial assets - end of year	**$1,119,551**	$1,706,040	$779,551

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

YEAR ENDED SEPTEMBER 30, 2012

	2012	2011 (Restated Note 2)
OPERATING ACTIVITIES		
Surplus for the year	**$477,441**	$850,563
Items not requiring cash:		
Amortization of tangible capital assets	**570,244**	821,858
Amortization of deferred contributions related to tangible capital assets	**-**	(143,334)
Net change in non-cash balances relating to operations:		
Accounts receivable	**(213,226)**	424,374
Inventory	**(1,064)**	3,279
Prepaid expenses	**27,859**	(33,875)
Accounts payable and accrued liabilities	**(277,437)**	187,001
Deferred grant contribution	**-**	(288,125)
Unearned revenue	**(10,024)**	21,146
	573,793	1,842,887
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	**(149,055)**	(271,969)
	(149,055)	(271,969)
FINANCING ACTIVITIES		
Repayment of leasehold loan	**-**	(643,229)
	-	(643,229)
Increase in cash	**424,738**	927,689
Cash, beginning of year	**1,648,608**	720,919
Cash, end of year	**$2,073,346**	$1,648,608

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2012

1. STATUS OF TOURISM SASKATCHEWAN

Tourism Saskatchewan was established pursuant to *The Tourism Saskatchewan Act* proclaimed on July 1, 2012. Tourism Saskatchewan is a Treasury Board Crown Corporation within the meaning of *The Crown Corporations Act, 1993*. Tourism Saskatchewan is a continuing corporation of Saskatchewan Tourism Authority, established under *The Tourism Authority Act* on October 1, 1994. Tourism Saskatchewan promotes Saskatchewan as a tourism destination by providing in-province and out-of-province marketing of tourism, industry-government marketing programs, the provision of visitor services, market research, and tourism product development.

Tourism Saskatchewan is exempt from income taxes under the *Income Tax Act*.

2. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS

Commencing with the 2011-12 fiscal year, Tourism Saskatchewan has adopted Canadian public sector accounting ("PSA") standards. These financial statements are the first financial statements for which Tourism Saskatchewan has applied Canadian public sector accounting standards.

The impact of the conversion to Canadian public sector accounting standards on the accumulated surplus/deficit at the date on transition and the comparative annual surplus is presented in note 10. These accounting changes have been applied retroactively with restatement of prior periods.

3. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

b. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include accounts receivable, accrued liabilities, and amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

c. Cash

Cash comprises monies on deposit and is recognized at its fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

d. Inventory

Inventory for resale is valued at the lower of cost and net realizable value. Cost of merchandise is determined principally on a first-in, first-out basis. Inventory cost includes the costs of purchase plus other costs, such as taxes and transportation that are directly incurred to bring inventories to their present location.

e. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Tangible capital assets are amortized over their estimated useful lives. Amortization

expense is calculated using the straight-line method at the following annual rates:

Photo library	10% to 20%
Furniture and equipment	10% to 20%
Computer equipment and systems	25% to 33%
Leasehold improvements	10%
Signs and displays	20%
Video and video footage	33%

When tangible capital assets no longer contribute to Tourism Saskatchewan's ability to provide goods and services, they are written down to residual value.

f. Revenue Recognition
Grants and contributions are recognized as revenues when the grant or contribution is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made.

Other revenue, which includes partnership, advertising, listing, sales of products and services and interest revenue, is recognized in the period in which the transactions or events occurred that give rise to the revenue.

g. Grants to Clients
Grants provided to clients for a variety of programs are recorded as an expense by Tourism Saskatchewan when it approves the transfer and the recipient meets the eligibility criteria.

4. FINANCIAL INSTRUMENTS

Tourism Saskatchewan's financial instruments include cash, accounts receivables, accounts payable, accrued liabilities and unearned revenue. The carrying amount of these instruments approximate fair value due to their immediate or short-term maturity. These instruments do not have significant interest rate or credit risk.

5. CASH

Tourism Saskatchewan has access to an operating line of credit in the amount of $500,000, repayable on demand with interest paid monthly, at the TD Bank prime rate. As of September, 30, 2012, Tourism Saskatchewan has not drawn on the operating line. In 2011, there were no draws on the operating line.

6. CONTINGENT LIABILITY

There is an arbitration in progress regarding a grievance from a past employee. A liability relating to this arbitration has been recorded in these statements. As this is managements' best estimate, any adjustment will be reflected in the year determined.

7. DEFERRED CONTRIBUTIONS

Deferred Contributions Related to Capital Assets
Deferred contributions related to capital assets represent contributions received for the purpose of purchasing capital assets. In 2011, the remainder of the deferred contributions was recognized as income in the amount of $143,334.

Deferred Grant Contribution
The deferred grant contribution represented the accelerated receipt of an operating grant payment from Industry and Resources in prior years. In 2011, the balance of $288,125 (2010 - $nil) was recognized as revenue as conditions for the grant had been removed.

8. LEASEHOLD LOAN

A leasehold loan was funded in the amount of $650,000 on July 29, 2010 at a fixed rate of 5.55% per annum for a rate term expiring August 15, 2015. Based on the agreed amortization period of eight years, monthly payments of principal on the loan were $6,770.83 due on or before the 15th day of each successive month commencing on September 15, 2010. All amounts outstanding under the loan were due and payable on or before the contractual term maturity date which was August 15, 2015. Interest on the loan was to be paid on the 15th day of each successive month commencing on September 15, 2010. In 2011, this loan was repaid in full.

9. TANGIBLE CAPITAL ASSETS

	Photo library	Furniture and equipment	Computer equipment and systems	Leasehold improvements	Signs and displays	Video and video footage	2012 Total	2011 Total
Cost	$	$	$	$	$	$	$	$
Opening Balance	785,627	499,001	1,152,432	1,766,723	139,204	1,679,666	6,022,653	5,750,684
Additions	-	5,922	143,133	-	-	-	149,055	271,969
Disposals	(404,266)	(367,183)	(490,216)	(477,313)	(105,973)	-	(1,844,951)	-
Write-downs	(22,870)	(469)	-	-	(3,949)	-	(27,288)	-
Closing Balance	358,491	137,271	805,349	1,289,410	29,282	1,679,666	4,299,469	6,022,653
Accumulated Amortization								
Opening Balance	699,895	463,141	908,614	735,115	133,380	1,500,827	4,440,972	3,762,448
Amortization	48,124	19,464	189,053	128,940	5,824	178,839	570,224	678,524
Disposals	(404,266)	(367,183)	(490,216)	(477,313)	(105,973)	-	(1,844,951)	-
Write-downs	(22,870)	(469)	-	-	(3,949)	-	(27,288)	-
Closing Balance	320,883	114,953	607,451	386,742	29,282	1,679,666	3,138,977	4,440,972
Net Book Value	37,608	22,318	197,898	902,668	0	0	1,160,492	1,581,681

The book values and associated accumulated amortization of certain tangible capital assets have been adjusted to reflect disposals of prior periods.

10. IMPACT OF CONVERSION ON ACCUMULATED SURPLUS

The following changes have been implemented to comply with PSAB:

	Previously Stated 2010-11	Adjustment 2010-11	Restated 2010-11	Previously Stated 2009-10	Adjustment 2009-10	Restated 2009-10
Internally Restricted Net Assets:						
Invested in Capital Assets	$1,581,681	$(1,581,681)	-	$1,345,007	$(1,345,007)	-
Partnership Marketing Fund	213,407	(213,407)	-	102,744	(102,744)	-
President's Marketing Advisory Fund	41,470	(41,470)	-	78,521	(78,521)	-
Education and Training Fund	120,924	(120,924)	-	8,606	(8,606)	-
Initiatives Fund	245,123	(245,123)	-	-	-	-
Unrestricted Net Assets	250,000	(250,000)	-	67,164	(67,164)	-
Accumulated Surplus	-	2,452,605	$2,452,605	-	1,602,042	$1,602,042

There was no impact on the annual surplus/deficit of prior periods.

11. DESIGNATED ASSETS

Tourism Saskatchewan is holding $169,000 as designated assets to be spent on the following programs in future years.

- Partnership Marketing $44,000
- Education and Training $125,000

12. PROVINCIAL OPERATING GRANT

Tourism Saskatchewan receives grants from the General Revenue Fund out of monies appropriated by the legislature or authorized by Order in Council. From October 1, 2011 to May 24, 2012, Tourism Saskatchewan received $8,425,332 from the Ministry of Tourism, Parks, Culture and Sport and from May 25 to September 30, 2012 received $4,028,502 from the Ministry of the Economy.

13. COMMITMENTS

Leases

Tourism Saskatchewan has entered into leases for office premises, Visitor Reception Centres and storage space at various locations in the province. The future minimum lease payments are as follows:

2012-13	$852,933
2013-14	$664,604
2014-15	$679,676
2015-16	$695,547
2016-17	$708,619
thereafter	$4,418,955

14. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards, and commissions related to Tourism Saskatchewan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end are as follows:

	2011-12	2010-11
Accounts Receivable	$57,492	$137,188
Accounts Payable and Accrued Liabilities	75,159	81,547
Other Revenue	488,901	589,635
Expenses	1,478,792	1,233,113

15. DEFINED CONTRIBUTION PENSION PLAN

Tourism Saskatchewan participates in the Public Employees' Pension Plan (PEPP), a defined contribution plan. Tourism Saskatchewan's obligations are limited to matching contributions made by the employees, up to a rate of 7.25%, for current services. During the year, Tourism Saskatchewan contributed $386,581 (2010-11 - $304,584).

16. BUDGET FIGURES

Tourism Saskatchewan's 2011-12 budget was approved by the Board of Directors on June 21, 2011, and appears on Statement 2.

17. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform to the current year's presentation.

SCHEDULE OF EXPENSES

YEAR ENDED SEPTEMBER 30, 2012

EXPENSES BY PROGRAM

SCHEDULE 1

	Administration	Marketing	Education & Training	Industry Development	Visitor Services	Research	2011-12 Total	2010-11 Total
Salaries	$1,303,279	$1,912,640	$907,776	$525,698	$553,592	$46,771	$5,249,756	$4,597,890
Benefits	229,698	323,040	151,248	83,637	99,095	7,596	894,314	768,162
Cost of Retail Sales	-	-	-	-	24,216	-	24,216	17,881
Professional Services	192,856	302,817	814,849	133,089	70,911	163,809	1,678,331	1,680,331
Advertising	6,754	2,644,284	-	-	50	-	2,651,088	1,793,661
Print	4,569	348,361	19,884	10,315	-	-	383,129	366,987
Other Marketing Related Expenses	43,905	265,043	10,473	10,781	149,707	475	480,384	436,430
Travel	31,069	392,288	39,816	88,185	17,605	6,646	575,609	517,974
Board and Committees	86,510	-	-	-	-	-	86,510	52,364
Rent and Equipment Purchases	920,970	2,373	22,457	378	5,662	-	951,840	873,081
Supplies and Services	194,422	74,682	51,334	7,743	4,787	642	333,610	261,680
Other Related Business Expenses	118,062	52,195	18,026	18,129	-	6,950	213,362	358,282
Service Charges	17,858	341	675	-	8	-	18,882	88,838
Amortization[1]	570,244	-	-	-	-	-	570,244	678,524
Grants	-	597,515	270,577	99,000	-	-	967,092	1,731,522
Total	**$3,720,196**	**$6,915,579**	**$2,307,115**	**$976,955**	**$925,633**	**$232,889**	**$15,078,367**	**$14,223,607**

[1]2010-11 amortization expenses consist of:

Amortization Expense	$821,858
Amortization of deferred contributions related to capital assets	(143,334)
2010-11 amortization expense	$678,524

Government of Saskatchewan

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